

Senate Study Bill 1291

SENATE/HOUSE FILE _____
BY (PROPOSED GOVERNOR'S BILL)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to disaster recovery by legalizing certain
2 actions taken and proceedings conducted by cities and counties
3 in response to a natural disaster, designating certain
4 activities as essential corporate purposes and essential
5 county purposes, authorizing counties to issue bonds for road
6 repair projects, amending provisions related to state and
7 local bonding authority and contract letting requirements,
8 exempting certain bond proceeds and interest from state income
9 taxation, and amending provisions related to city and county
10 lease contracts and loan agreements, modifying provisions
11 relating to municipal support of projects, amending provisions
12 related to expenditures from certain revolving loan funds, and
13 including effective date and retroactive applicability
14 provisions.

15 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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DIVISION I

LEGALIZING ACT

1 3 Section 1. CERTAIN PRIOR PROCEEDINGS AND ACTIONS LEGALIZED
1 4 == AMENDMENT OF BUDGETS. All proceedings conducted or actions
1 5 taken by or on behalf of a city or county related to the
1 6 emergency repair or reconstruction of public improvements
1 7 damaged by a natural disaster during the period of time
1 8 beginning May 1, 2008, and ending August 31, 2008, and related
1 9 to all natural disaster-related expenditures by a city or
1 10 county in excess of an original or previously amended city or
1 11 county budget for the fiscal year ending June 30, 2008, which
1 12 were conducted or taken in violation of the requirements of
1 13 section 331.435 or 384.18, as applicable, prior to the
1 14 effective date of this division of this Act are hereby
1 15 legalized and validated, and, to that extent, this Act applies
1 16 retroactively to the date such proceedings were conducted or
1 17 actions were taken. A city or county that is subject to this
1 18 division of this Act, shall by June 30, 2009, amend its budget
1 19 for the fiscal year ending June 30, 2008, to reflect any
1 20 actions taken and subsequently legalized and validated by this
1 21 division of this Act.

1 22 Sec. 2. EFFECTIVE DATE. This division of this Act, being
1 23 deemed of immediate importance, takes effect upon enactment.

DIVISION II

STATE AND LOCAL FINANCING

AND PUBLIC CONSTRUCTION BIDDING

1 27 Sec. 3. Section 16.1, subsection 1, paragraph ae,
1 28 subparagraph (3), Code 2009, is amended to read as follows:

1 29 (3) Any project for which tax exempt financing is
1 30 authorized by the Internal Revenue Code, together with any
1 31 taxable financing necessary or desirable in connection with

1 32 such project, which the authority finds furthers the goals of
1 33 the authority and is consistent with the legislative findings.

1 34 Sec. 4. Section 16.26, Code 2009, is amended by adding the
1 35 following new subsection:

2 1 NEW SUBSECTION. 10. Interest earned on the bonds or notes
2 2 issued by the authority in connection with the single-family
2 3 housing program or the multifamily housing program is exempt
2 4 from state individual and corporate income tax. This
2 5 subsection applies to bonds or notes issued on or after the
2 6 effective date of this Act.

2 7 Sec. 5. Section 16.131, subsection 3, Code 2009, is
2 8 amended to read as follows:

2 9 3. The authority may issue its bonds and notes for the
2 10 purpose of funding the revolving loan funds created under
2 11 section 455B.295 and defraying the costs of payment of the
2 12 twenty percent state matching funds required for federal funds
2 13 received for projects. Notwithstanding any provision of this
2 14 chapter to the contrary, moneys deposited in the revolving
2 15 loan funds may be used in any manner permitted or required by
2 16 applicable federal law.

2 17 Sec. 6. NEW SECTION. 26.16 EMERGENCY REPAIRS ==
2 18 PROCEDURE.

2 19 1. When emergency repair of a public improvement, highway,
2 20 bridge, or culvert is necessary and the delay of advertising
2 21 and a public letting would cause serious loss or injury to the
2 22 governmental entity, the chief officer or official of the
2 23 governmental entity shall make a finding of the necessity to
2 24 institute emergency proceedings under this section and shall
2 25 procure a certificate from a competent licensed professional
2 26 engineer or registered architect certifying that emergency
2 27 repairs are necessary. Upon receiving the certificate, the
2 28 chief officer or chief official of a governmental entity may
2 29 accept, enter into, and make payment under a contract for
2 30 emergency repairs without satisfying the advertising and
2 31 public hearing requirements of this chapter, and without
2 32 obtaining a performance and payment bond as required by
2 33 chapter 573.

2 34 2. Following execution of the contract, the chief officer
2 35 or chief official shall provide the contract and information
3 1 regarding the emergency repairs to the governing body of the
3 2 governmental entity at its next meeting.

3 3 Sec. 7. Section 76.1, Code 2009, is amended to read as
3 4 follows:

3 5 76.1 MANDATORY RETIREMENT.

3 6 1. Hereafter issues of bonds of every kind and character
3 7 by counties, cities, and school corporations shall be
3 8 consecutively numbered.

3 9 2. a. The annual levy shall be sufficient to pay the
3 10 interest and approximately such portion of the principal of
3 11 the bonds as will retire them in a period not exceeding twenty
3 12 years from date of issue, except as provided in paragraph "b".

3 13 b. General obligation bonds issued for the purposes
3 14 specified in section 331.441, subsection 2, paragraph "b",
3 15 subparagraphs (18) through (20), or in section 384.24,
3 16 subsection 3, paragraphs "w" through "z", and bonds issued to
3 17 refund or refinance bonds issued for those purposes may mature
3 18 and be retired in a period not exceeding thirty years from
3 19 date of issue.

3 20 3. Each issue of bonds shall be scheduled to mature
3 21 ~~serially~~ in the same order as numbered.

3 22 Sec. 8. Section 76.2, unnumbered paragraph 1, Code 2009,
3 23 is amended to read as follows:

3 24 The governing authority of these political subdivisions
3 25 before issuing bonds shall, by resolution, provide for the
3 26 assessment of an annual levy upon all the taxable property in
3 27 the political subdivision sufficient to pay the interest and
3 28 principal of the bonds within a period named not exceeding
3 29 ~~twenty years~~ the applicable period of time specified in
3 30 section 76.1. A certified copy of this resolution shall be

3 31 filed with the county auditor or the auditors of the counties
3 32 in which the political subdivision is located; and the filing
3 33 shall make it a duty of the auditors to enter annually this
3 34 levy for collection from the taxable property within the
3 35 boundaries of the political subdivision until funds are
4 1 realized to pay the bonds in full. The levy shall continue to
4 2 be made against property that is severed from the political
4 3 subdivision after the filing of the resolution until funds are
4 4 realized to pay the bonds in full.

4 5 Sec. 9. Section 314.1, subsection 2, Code 2009, is amended
4 6 to read as follows:

4 7 2. Notwithstanding any other provision of law to the
4 8 contrary, a public improvement that involves the construction,
4 9 reconstruction, or improvement of a highway, bridge, or
4 10 culvert and that has a cost in excess of the applicable
4 11 threshold in section 73A.18, 262.34, 297.7, 309.40, 310.14, or
4 12 313.10, as modified by the bid threshold subcommittee pursuant
4 13 to section 314.1B, shall be advertised and let for bid, except
4 14 such public improvements that involve emergency work pursuant
4 15 to section ~~26.16, 309.40A, or 313.10, or 384.103, subsection~~

4 16 2. For a city having a population of fifty thousand or less,
4 17 a public improvement that involves the construction,
4 18 reconstruction, or improvement of a highway, bridge, or
4 19 culvert that has a cost in excess of twenty-five thousand

4 20 dollars, as modified by the bid threshold subcommittee
4 21 pursuant to section 314.1B, shall be advertised and let for
4 22 bid, excluding emergency work. However, a public improvement
4 23 that has an estimated total cost to a city in excess of a
4 24 threshold of fifty thousand dollars, as modified by the bid
4 25 threshold subcommittee pursuant to section 314.1B, and that
4 26 involves the construction, reconstruction, or improvement of a
4 27 highway, bridge, or culvert that is under the jurisdiction of
4 28 a city with a population of more than fifty thousand, shall be
4 29 advertised and let for bid. Cities required to competitively
4 30 bid highway, bridge, or culvert work shall do so in compliance
4 31 with the contract letting procedures of sections 26.3 through
4 32 26.13.

4 33 Sec. 10. Section 331.301, subsection 10, paragraph e,
4 34 unnumbered paragraph 1, Code 2009, is amended to read as
4 35 follows:

5 1 The board may authorize a lease or lease-purchase contract
5 2 which is payable from the general fund ~~and which if the~~
5 3 ~~contract~~ would not cause the total of lease and lease-purchase
5 4 ~~payments of the county~~ due from the general fund of the county
5 5 in any single future fiscal year for all lease or
5 6 lease-purchase contracts in force on the date of the
5 7 authorization, excluding payments to exercise purchase options
5 8 or to pay the expenses of operation or ownership of the
5 9 property, to exceed ten percent of the last certified general
5 10 fund budget amount in accordance with the following
5 11 procedures:

5 12 Sec. 11. Section 331.341, subsection 1, Code 2009, is
5 13 amended to read as follows:

5 14 1. When the estimated total cost of a public improvement,
5 15 other than improvements which may be paid for from the
5 16 secondary road fund, exceeds the competitive bid threshold in
5 17 section 26.3, or as established in section 314.1B, the board
5 18 shall follow the competitive bid and contract letting
5 19 ~~procedures for governmental entities in chapter 26 and the~~
5 20 ~~contract letting procedures in~~ section 384.103. As used in
5 21 this section, "public improvement" means the same as defined
5 22 in section 26.2 as modified by this subsection.

5 23 Sec. 12. Section 331.402, subsection 3, paragraph d,
5 24 unnumbered paragraph 1, Code 2009, is amended to read as
5 25 follows:

5 26 The board may authorize a loan agreement which is payable
5 27 from the general fund ~~and which if the loan agreement~~ would
5 28 not cause the total of scheduled annual payments of principal
5 29 or interest or both principal and interest ~~of the county~~ due
5 30 from the general fund of the county in any single future
5 31 fiscal year with respect to all loan agreements in force on
5 32 the date of the authorization to exceed ten percent of the
5 33 last certified general fund budget amount in accordance with
5 34 the following procedures:

5 35 Sec. 13. Section 331.429, subsection 2, Code 2009, is
6 1 amended by adding the following new paragraph:

6 2 NEW PARAGRAPH. j. Payment of interest and principal on
6 3 bonds of the county issued for repair of damaged roads under
6 4 section 331.429A.

6 5 Sec. 14. NEW SECTION. 331.429A DISASTER SECONDARY ROAD
6 6 BONDS.

6 7 1. A county may issue bonds or other indebtedness to
6 8 provide funds to pay all or any part of the cost of a road
6 9 repair project for roads that have sustained significant
6 10 damage due to flooding or severe winter weather including but
6 11 not limited to expenditures for gravel.

6 12 2. Before the board may institute proceedings for the
6 13 issuance of bonds under this section, the county engineer
6 14 shall certify to the board the amount needed to fund the road
6 15 repair.

6 16 3. Following certification to the board by the county
6 17 engineer, a notice of the proposed action, including a
6 18 statement of the amount and purposes of the bonds, and the
6 19 time and place of the meeting at which the board proposes to
6 20 take action for the issuance of the bonds, shall be published
6 21 as provided in section 331.305.

6 22 4. At the meeting, the board shall receive oral or written
6 23 objections from any resident or property owner of the county.
6 24 After all objections have been received and considered, the
6 25 board, at that meeting or a date to which it is adjourned, may
6 26 take additional action for the issuance of the bonds or
6 27 abandon the proposal to issue the bonds.

6 28 5. The bonds shall be issued subject to repayment by a
6 29 date determined by the board, not to exceed five years from
6 30 the date of issuance, and shall be payable solely from moneys

6 31 appropriated by the board pursuant to section 331.429,
6 32 subsection 2, paragraph "j".

6 33 6. Any resident or property owner of the county may appeal
6 34 the decision of the board to take additional action to the
6 35 district court of the county, within fifteen days after the
7 1 additional action is taken, but the additional action of the
7 2 board is final and conclusive unless the court finds that the
7 3 board exceeded its authority. The provisions of this section
7 4 with respect to notice, hearing, and appeal are in lieu of any
7 5 other law.

7 6 Sec. 15. Section 331.441, subsection 2, paragraph b, Code
7 7 2009, is amended by adding the following new subparagraphs:

7 8 NEW SUBPARAGRAPH. (18) The remediation, restoration,
7 9 repair, cleanup, and improvement of property located in the
7 10 unincorporated areas of the county and all existing county
7 11 buildings, facilities, and property owned or operated by the
7 12 county that have been damaged by a disaster as defined in
7 13 section 29C.2.

7 14 NEW SUBPARAGRAPH. (19) The reimbursement of the county's
7 15 general fund or other funds of the county for expenditures
7 16 made related to remediation, restoration, repair, and cleanup
7 17 of damage caused by a disaster as defined in section 29C.2.

7 18 NEW SUBPARAGRAPH. (20) The administrative expenses
7 19 incurred by a county as the result of undertaking an essential
7 20 county purpose.

7 21 Sec. 16. Section 357A.12, unnumbered paragraph 2, Code
7 22 2009, is amended to read as follows:

7 23 The procedures for competitive bidding and emergency
7 24 repairs specified in chapter 26 ~~and for emergency repairs as~~
7 25 ~~specified in section 384.103, subsection 2,~~ shall apply to
7 26 construction carried out pursuant to this chapter.

7 27 Sec. 17. Section 364.4, subsection 4, paragraph e,
7 28 unnumbered paragraph 1, Code 2009, is amended to read as
7 29 follows:

7 30 The governing body may authorize a lease or lease-purchase
7 31 contract which is payable from the general fund ~~and which if~~
7 32 ~~the contract~~ would not cause the total of annual lease or
7 33 lease-purchase payments ~~of the city~~ due from the general fund
7 34 of the city in any single future fiscal year for all lease or
7 35 lease-purchase contracts in force on the date of the
8 1 authorization, excluding payments to exercise purchase options
8 2 or to pay the expenses of operation or ownership of the
8 3 property, to exceed ten percent of the last certified general
8 4 fund budget amount in accordance with the following
8 5 procedures:

8 6 Sec. 18. Section 384.24, subsection 3, Code 2009, is
8 7 amended by adding the following new paragraphs:

8 8 NEW PARAGRAPH. w. The remediation, restoration, repair,
8 9 cleanup, and improvement of property located within the
8 10 corporate boundaries of the city and all existing buildings,
8 11 facilities, and property owned or operated by the city that
8 12 have been damaged by a disaster as defined in section 29C.2.

8 13 NEW PARAGRAPH. x. The reimbursement of the city's general
8 14 fund or other funds of the city for expenditures made related
8 15 to remediation, restoration, repair, and cleanup of damage
8 16 caused by a disaster as defined in section 29C.2.

8 17 NEW PARAGRAPH. y. The administrative expenses incurred by
8 18 a city as the result of undertaking an essential corporate
8 19 purpose.

8 20 NEW PARAGRAPH. z. The acquisition, construction,
8 21 extension, improvement, repair, and equipping of public
8 22 buildings, and the acquisition of real estate needed for such
8 23 purposes, if the principal amount of the bonds does not exceed
8 24 the following limits:

8 25 (1) Four hundred thousand dollars in a city having a
8 26 population of five thousand or less.

8 27 (2) Seven hundred thousand dollars in a city having a
8 28 population of more than five thousand but not more than
8 29 seventy-five thousand.

8 30 (3) One million dollars in a city having a population of
8 31 more than seventy-five thousand.

8 32 Sec. 19. Section 384.24A, subsection 4, unnumbered
8 33 paragraph 1, Code 2009, is amended to read as follows:

8 34 The governing body may authorize a loan agreement which is
8 35 payable from the general fund ~~and which if the loan agreement~~
9 1 would not cause the total of scheduled annual payments of
9 2 principal or interest or both principal and interest ~~of the~~
9 3 ~~city~~ due from the general fund ~~of the city~~ in any single
9 4 future fiscal year with respect to all loan agreements in
9 5 force on the date of the authorization to exceed ten percent
9 6 of the last certified general fund budget amount in accordance

7 with the following procedures:
8 Sec. 20. Section 384.103, Code 2009, is amended to read as
9 follows:
10 384.103 BONDS AUTHORIZED ~~== EMERGENCY REPAIRS.~~
11 ~~1. A governing body may authorize, sell, issue, and~~
12 ~~deliver its bonds whether or not notice and hearing on the~~
13 ~~plans, specifications, form of contract, and estimated cost~~
14 ~~for the public improvement to be paid for in whole or in part~~
15 ~~from the proceeds of said bonds has been given, and whether or~~
16 ~~not a contract has been awarded for the construction of the~~
17 ~~improvement. This subsection section does not apply to bonds~~
18 ~~which are payable solely from special assessment levies~~
19 ~~against benefited property.~~
20 ~~2. When emergency repair of a public improvement is~~
21 ~~necessary and the delay of advertising and a public letting~~
22 ~~might cause serious loss or injury to the city, the governing~~
23 ~~body shall, by resolution, make a finding of the necessity to~~
24 ~~institute emergency proceedings under this section, and shall~~
25 ~~procure a certificate from a competent licensed professional~~
26 ~~engineer or registered architect, not in the regular employ of~~
27 ~~the city, certifying that emergency repairs are necessary.~~
28 ~~In that event the governing body may contract for emergency~~
29 ~~repairs without holding a public hearing and advertising for~~
30 ~~bids, and the provisions of chapter 26 do not apply.~~
31 Sec. 21. Section 390.3, unnumbered paragraph 2, Code 2009,
32 is amended to read as follows:
33 However, in the performance of a joint agreement, the
34 governing body is not subject to statutes generally applicable
35 to public contracts, including hearings on plans,
1 1 specifications, form of contracts, costs, notice and
2 2 competitive bidding required under chapter 26 ~~and section~~
3 ~~384.103~~, unless all parties to the joint agreement are cities
4 4 located within the state of Iowa.
5 5 Sec. 22. Section 419.1, subsection 12, Code 2009, is
6 6 amended by adding the following new paragraphs:
7 7 NEW PARAGRAPH. c. Land, buildings, or improvements that
8 8 are eligible for financing from midwestern disaster area bonds
9 9 authorized under the federal Emergency Economic Stabilization
10 10 Act of 2008, Pub. L. No. 110=185.
11 11 NEW PARAGRAPH. d. An activity for which tax exempt
12 12 financing is authorized by the Internal Revenue Code, together
13 13 with any taxable financing necessary or desirable in
14 14 connection with such activity.
15 15 Sec. 23. Section 419.17, subsection 2, Code 2009, is
16 16 amended by striking the subsection.
17 17 Sec. 24. Section 422.7, Code 2009, is amended by adding
18 18 the following new subsection:
19 19 NEW SUBSECTION. 18. Subtract, to the extent included,
20 20 interest earned on bonds and notes issued by the Iowa finance
21 21 authority as provided in section 16.26, subsection 10.
22 22 Sec. 25. Section 422.35, Code 2009, is amended by adding
23 23 the following new subsection:
24 24 NEW SUBSECTION. 14. Subtract, to the extent included,
25 25 interest earned on bonds and notes issued by the Iowa finance
26 26 authority as provided in section 16.26, subsection 10.
27 27 Sec. 26. Section 455B.297, Code 2009, is amended by adding
28 28 the following new unnumbered paragraph:
29 29 NEW UNNUMBERED PARAGRAPH. Notwithstanding any provision of
30 30 this chapter to the contrary, moneys deposited in the
31 31 revolving loan funds may be used in any manner permitted or
32 32 required by applicable federal law.
33 33 Sec. 27. Section 419.8, Code 2009, is repealed.
34 34 Sec. 28. EFFECTIVE DATE. This division of this Act, being
35 35 deemed of immediate importance, takes effect upon enactment.

EXPLANATION

1 This bill relates to disaster recovery by making changes
2 relating to state and local bonding and contract letting
3 requirements, city and county lease contracts and loan
4 agreements, municipal support of projects, the taxation of
5 certain bonds, the definitions of essential corporate purpose
6 and essential county purpose, by authorizing counties to issue
7 disaster secondary road bonds, and by authorizing certain
8 disaster-affected cities and counties to amend their budgets
9 for the fiscal year ending June 30, 2008.

11 Division I of the bill provides that all proceedings
12 conducted or actions taken by or on behalf of a city or county
13 related to the emergency repair or reconstruction of public
14 improvements damaged by a natural disaster during the period
15 of time beginning May 1, 2008, and ending August 31, 2008, and
16 related to all natural disaster-related expenditures by a city
17 or county in excess of an original or previously amended city

11 18 or county budget for the fiscal year ending June 30, 2008,
11 19 which were conducted or taken in violation of the requirements
11 20 of section 331.435 or 384.18, as applicable, prior to the
11 21 effective date of this division of this Act are legalized and
11 22 validated. Division I requires those cities or counties that
11 23 are subject to the division to amend their budgets for the
11 24 fiscal year ending June 30, 2008.

11 25 Division I of the bill takes effect upon enactment and
11 26 applies retroactively to the date of any proceeding or action
11 27 legalized and validated under division I.

11 28 Division II of the bill amends the definition of "project"
11 29 under Code section 16.1, relating to the Iowa finance
11 30 authority, to include projects, that in addition to the use of
11 31 tax-exempt financing, include taxable financing necessary or
11 32 desirable in connection with the project.

11 33 Division II amends Code section 16.26 and enacts Code
11 34 section 422.7, subsection 18, and Code section 422.35,
11 35 subsection 14, to provide interest earned on the bonds or
12 1 notes issued by the Iowa finance authority in connection with
12 2 the single-family housing program or the multifamily housing
12 3 program is exempt from state individual and corporate income
12 4 taxation. The amendment to Code section 16.26 applies to
12 5 bonds and notes issued on or after the effective date of the
12 6 bill.

12 7 Division II establishes procedures for certain emergency
12 8 repairs under Code chapter 26 relating to public construction
12 9 bidding and strikes similar provisions in Code section
12 10 384.103. Division II provides that when emergency repair of a
12 11 public improvement, highway, bridge, or culvert is necessary
12 12 and the delay of advertising and a public letting would cause
12 13 serious loss or injury to the governmental entity, the chief
12 14 officer or official of the governmental entity shall make a
12 15 finding of the necessity to institute emergency proceedings
12 16 and shall procure a certificate from a competent licensed
12 17 professional engineer or registered architect certifying that
12 18 emergency repairs are necessary. Division II also provides
12 19 that upon receiving the certificate, the chief officer or
12 20 chief official of a governmental entity may accept, enter
12 21 into, and make payment under a contract for emergency repairs
12 22 without satisfying the advertising and public hearing
12 23 requirements of Code chapter 26, and without obtaining a
12 24 performance and payment bond as required by Code chapter 573.
12 25 Division II further provides that following execution of the
12 26 contract, the chief officer or chief official shall provide
12 27 the contract and information regarding the emergency repairs
12 28 to the governing body of the governmental entity at its next
12 29 meeting.

12 30 Division II also amends Code section 76.1 by providing that
12 31 general obligation bonds issued for certain essential
12 32 corporate purposes and essential county purposes, and bonds
12 33 issued to refund or refinance those bonds may mature and be
12 34 retired in a period not exceeding 30 years from the date of
12 35 issue.

13 1 Division II creates new Code section 331.429A, which
13 2 authorizes counties to issue bonds to fund road repair
13 3 projects to repair roads damaged by flooding or severe winter
13 4 weather. Bonds issued for this purpose may be issued without
13 5 approval at election and are to be repaid with moneys in the
13 6 county's secondary road fund within a time determined by the
13 7 board of supervisors, not to exceed five years from the date
13 8 of issuance of the bonds.

13 9 Division II amends the definitions of "essential corporate
13 10 purpose" and "essential county purpose" to include the
13 11 remediation, restoration, repair, cleanup, and improvement of
13 12 property within the jurisdiction of the city or county, as
13 13 applicable, and publicly owned or operated buildings,
13 14 facilities, and property that have been damaged by a disaster;
13 15 the reimbursement of a city or county general fund or other
13 16 funds for expenditures made related to remediation,
13 17 restoration, repair, and cleanup of damage caused by a
13 18 disaster; and the administrative expenses incurred as the
13 19 result of undertaking an essential corporate purpose or
13 20 essential county purpose.

13 21 Division II also amends the definition of "essential
13 22 corporate purpose" to include the acquisition, construction,
13 23 extension, improvement, repair, and equipping of public
13 24 buildings, subject to limitations based on population.

13 25 Division II amends city and county requirements for lease
13 26 or lease-purchase contracts and loan agreements by specifying
13 27 that such contracts or agreements may not be authorized if the
13 28 contract or agreement would cause payments from the city or

13 29 county general fund to exceed 10 percent of the last city or
13 30 county certified general fund budget unless certain procedures
13 31 are followed.

13 32 Division II amends the definition of "project" under Code
13 33 section 419.1, relating to municipal funding of certain
13 34 projects, to include projects that, in addition to the use of
13 35 tax-exempt financing, include taxable financing necessary or
14 1 desirable in connection with the project and to include
14 2 projects that are eligible for financing from midwestern
14 3 disaster area bonds under the federal Emergency Economic
14 4 Stabilization Act of 2008. The definition of "project" in
14 5 Code section 419.1 also applies to the Iowa finance
14 6 authority's bond bank program under Code section 16.102.
14 7 Division II also repeals Code section 419.8, which restricts
14 8 the use of land owned by the municipality for a project and
14 9 requires the entire cost of any project to be paid out of the
14 10 proceeds from the sale of bonds issued under Code chapter 419
14 11 and not from any other funds of the city, except for donations
14 12 of property or money received by the city to be used as a part
14 13 of a project.

14 14 Division II specifies that money deposited in the revolving
14 15 loan funds created under Code section 455B.295, relating to
14 16 clean water projects, may be used in any manner permitted or
14 17 required by applicable federal law.

14 18 Division II of the bill takes effect upon enactment.

14 19 LSB 2374XL 83

14 20 md/sc/24.1